

CITY OF BISMARCK EMPLOYEES PENSION FUND
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2002

	December-02				September-02				Current Fiscal YTD	Prior Year FY02	3 Years Ended 6/30/2002 Net	5 Years Ended 6/30/2002 Net
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net ROR	Net ROR		
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
<i>AllianceBernstein</i>	450,319	2.2%	2.6%	3.03%	421,421	2.1%	2.6%	-13.56%	-10.94%	-28.98%	-16.11%	N/A
<i>Russell 1000 Growth</i>				7.15%				-15.05%	-8.98%	-26.49%	-16.15%	N/A
<i>Structured Value</i>												
<i>LSV</i>	1,053,254	5.1%	5.1%	6.44%	953,808	4.8%	5.1%	-18.29%	-13.03%	2.72%	5.54%	N/A
<i>Russell 1000 Value</i>				9.22%				-18.77%	-11.28%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>												
<i>LA Capital (Wilshire)</i>	1,003,134	4.8%	5.1%	6.92%	904,796	4.6%	5.1%	-16.27%	-10.48%	-17.00%	N/A	N/A
<i>Russell 1000</i>				8.16%				-16.91%	-10.13%	-17.89%	N/A	N/A
<i>Enhanced S&P 500 Index</i>												
<i>Northern Trust</i>	980,393	4.7%	5.1%	8.10%	874,537	4.4%	5.1%	-16.71%	-9.96%	-16.98%	N/A	N/A
<i>Strong</i>	992,094	4.8%	5.1%	10.08%	868,909	4.4%	5.1%	-16.75%	-8.35%	-20.23%	N/A	N/A
<i>Westridge</i>	1,220,201	5.9%	5.1%	8.52%	1,088,587	5.5%	5.1%	-17.19%	-10.13%	-17.54%	N/A	N/A
<i>Total Enhanced S&P 500 Index</i>	3,192,688	15.3%	15.4%	8.87%	2,832,032	14.3%	15.4%	-16.88%	-9.50%	-18.23%	N/A	N/A
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.98%	N/A	N/A
<i>S&P 500 Index</i>												
<i>State Street</i>	1,169,138	5.6%	6.0%	8.45%	986,425	5.0%	6.0%	-17.26%	-10.27%	-17.96%	-9.14%	3.67%
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.98%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	6,868,533	33.0%	34.3%	7.69%	6,098,483	30.7%	34.3%	-16.78%	-10.38%	-17.13%	-9.48%	2.68%
<i>S&P 500</i>				8.44%				-17.28%	-10.30%	-17.98%	-9.18%	3.67%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
<i>SEI</i>	2,131,658	10.2%	10.7%	5.19%	2,027,032	10.2%	10.7%	-19.10%	-14.90%	-11.87%	N/A	N/A
<i>Russell 2000 + 200bp</i>				6.66%				-20.90%	-15.63%	-6.68%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	2,131,658	10.2%	10.7%	5.19%	2,027,032	10.2%	10.7%	-19.10%	-14.90%	-11.87%	1.18%	1.95%
<i>Russell 2000</i>				6.16%				-21.40%	-16.56%	-8.59%	1.67%	4.44%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
<i>State Street</i>	117,621	0.6%	0.6%	4.11%	98,752	0.5%	0.6%	-19.99%	-16.70%	-11.74%	-6.76%	-2.26%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>												
<i>Capital Guardian</i>	301,509	1.4%	1.5%	7.35%	257,494	1.3%	1.5%	-21.50%	-15.72%	-13.17%	-1.00%	5.76%
<i>Bank of Ireland</i>	61,513	0.3%	0.3%	7.13%	55,712	0.3%	0.3%	-21.60%	-16.01%	N/A	N/A	N/A
<i>Total Large Cap - Active</i>	363,022	1.7%	1.8%	7.31%	313,206	1.6%	1.8%	-21.51%	-15.77%	-12.19%	-0.63%	6.00%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>												
<i>Lazard</i>	65,925	0.3%	0.3%	3.95%	62,448	0.3%	0.3%	-17.39%	-14.12%	N/A	N/A	N/A
<i>Wellington</i>	65,808	0.3%	0.3%	7.10%	59,893	0.3%	0.3%	-17.35%	-11.48%	N/A	N/A	N/A
<i>Total Small Cap - Active</i>	131,734	0.6%	0.6%	5.49%	122,342	0.6%	0.6%	-17.37%	-12.83%	N/A	N/A	N/A
<i>SSB BROAD MARKET INDEX < \$2BN</i>				1.85%				-15.30%	-13.74%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	612,377	2.9%	3.0%	6.24%	534,300	2.7%	3.0%	-20.31%	-15.34%	-10.49%	-2.94%	2.40%
<i>MSCI EAFE - 50% Hedged</i>				4.04%				-20.02%	-16.79%	-14.62%	-5.75%	0.27%
EMERGING MARKETS EQUITY												
<i>Capital Guardian</i>	291,580	1.4%	1.5%	11.72%	261,004	1.3%	1.5%	-16.68%	-6.91%	-5.69%	-5.69%	-6.04%
<i>MSCI Emerging Markets Free</i>				10.04%				-16.30%	-7.90%	1.30%	-6.34%	-8.42%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
<i>Western Asset</i>	1,357,782	6.5%	6.0%	2.49%	1,454,876	7.3%	6.2%	3.66%	6.24%	8.87%	8.93%	8.26%
<i>Lehman Aggregate</i>				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%
<i>Active Duration</i>												
<i>Criterion</i>	1,354,187	6.5%	6.0%	2.69%	1,433,995	7.2%	6.2%	2.57%	5.34%	6.00%	7.60%	7.09%
<i>Lehman Aggregate</i>				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%

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	December-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation		Quarter		Allocation		Quarter		Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2002	6/30/2002
Index												
Bank of ND	1,618,063	7.8%	8.4%	1.40%	1,729,966	8.7%	8.4%	5.96%	7.44%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	324,168	1.6%	1.6%	1.43%	323,517	1.6%	1.6%	1.44%	2.90%	5.79%	5.86%	5.90%
Total Index	1,942,231	9.3%	10.0%	1.38%	2,053,483	10.3%	10.0%	4.78%	6.23%	9.68%	7.81%	7.47%
Lehman Gov/Credit				1.73%				5.70%	7.52%	8.24%	7.85%	7.47%
Convertibles												
TCW	1,370,279	6.6%	6.0%	8.32%	1,287,917	6.5%	6.2%	-9.90%	-2.41%	-21.20%	-2.06%	N/A
First Boston Convertible Index				9.83%				-8.56%	0.43%	-12.44%	0.11%	N/A
BBB Average Quality												
Strong	1,379,707	6.6%	6.0%	4.11%	1,420,976	7.2%	6.2%	0.39%	4.51%	3.16%	6.83%	N/A
Lehman BBB				4.59%				2.70%	7.42%	5.85%	4.75%	N/A
Timberland												
Evergreen (Wachovia)	1,219,248	5.9%	5.9%	3.15%	1,032,809	5.2%	5.2%	-0.22%	2.92%	N/A	N/A	N/A
										N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	8,623,435	41.4%	40.0%	3.36%	8,684,056	43.8%	40.0%	0.71%	4.10%	2.56%	6.70%	6.56%
Lehman Aggregate				1.57%				4.58%	6.22%	8.62%	8.10%	7.57%
HIGH YIELD BONDS												
Western Asset	721,065	3.5%	3.5%	7.64%	669,890	3.4%	3.5%	-3.24%	4.15%	-6.08%	-3.89%	4.16%
Lehman High Yield Bond Index				6.74%				-2.93%	3.61%	-3.60%	-2.31%	0.68%
INTERNATIONAL FIXED INCOME												
International Core												
UBS Global (Brinson)	454,280	2.2%	2.0%	6.06%	477,897	2.4%	2.0%	2.39%	8.60%	16.83%	2.39%	2.43%
Salomon Brothers Non-US Gov't Bond Index				6.06%				2.84%	9.08%	15.72%	3.14%	3.03%
REAL ESTATE												
J.P. Morgan	704,342	3.4%	3.0%	1.90%	691,206			1.64%	3.58%	4.10%	9.60%	11.72%
NCREIF TOTAL INDEX				1.67%				1.65%	3.34%	6.79%	9.41%	11.96%
ALTERNATIVE INVESTMENTS												
Coral Partners V	43,184			-7.89%	39,745			-17.47%	-23.98%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	2,669			-11.88%	2,776			-14.17%	-24.37%	N/A	N/A	N/A
Coral Partners VI	3,136			-21.31%	2,299			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	7,884			-7.89%	8,116			-3.97%	-11.55%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	10,006			-6.50%	9,171			-4.67%	-10.86%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	14,534			-1.66%	11,998			-6.93%	-8.48%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	4,107			-1.33%	3,848			-1.08%	-2.40%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	2,754			-2.74%	2,595			0.15%	-2.59%	N/A	N/A	N/A
Total Brinson Partnership Funds	39,285			1.14%	35,727			-4.85%	-3.77%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	4,966			-2.36%	4,310			12.07%	9.43%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	4,199			-0.81%	3,429			7.00%	6.13%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	1,811			-1.54%	1,685			-1.47%	-2.99%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	3,735			-0.33%	1,317			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	14,710			-1.48%	10,741			6.90%	5.32%	N/A	N/A	N/A
Brinson BVCF IV	25,786			-9.29%	26,045			-2.76%	-11.79%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	42,658			0.00%	34,487			N/A	N/A	N/A	N/A	N/A
InvestAmerica	3,541			3.02%	3,449			31.25%	35.21%	N/A	N/A	N/A
Hearthstone	16,934			3.48%	17,976			11.34%	15.21%	4.99%	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS	191,902	0.9%	1.0%	-3.09%	173,244	0.9%	1.0%	-7.04%	-9.92%	-28.86%	-4.14%	N/A
Post Venture Capital Index				15.43%				-22.64%	-10.71%	-44.30%	-26.03%	-6.83%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	229,496	1.1%	1.0%	0.42%	229,911	1.2%	1.0%	0.68%	1.11%	2.29%	4.72%	5.01%
90 Day T-Bill				0.43%				0.45%	0.88%	2.63%	4.67%	4.84%
TOTAL FUND	20,828,668	100.00%	100.00%	4.82%	19,847,023	100.00%	100.00%	-8.20%	-3.77%	-6.37%	-0.28%	4.94%
POLICY TARGET BENCHMARK				5.18%				-7.79%	-3.01%	-3.70%	0.50%	5.82%

NOTE: Monthly returns and market values are preliminary and subject to change.